

Memo

To: **DOER and the EEAC**
From: **Eric Belliveau, Optimal Energy**
Date: **October 15, 2020**
Subject: **Consultant Budget Request**

When the Consultant Team put together its proposal for the current three-year contract, we used our experience from past cycles to determine the relative weighting of the budget between years. We put the most weight on 2021 as the year the Three-Year Plan is delivered has traditionally required the most work. We proposed spending \$1.557M in 2020 and \$1.852M in 2021. Unforeseen work in 2020 related to the pandemic has stretched our budget. Had that been the only unanticipated change in workload, we would probably still be within the normal level of uncertainty. However, the real challenge this year is that we moved several tasks that we would have done next year, or largely next year, to this year. These include the avoided cost study (AESC), the Consultant Team assessment of potential, and a variety of working groups assembled for planning this fall. I will explain each in more detail below.

Assessment of Potential

In a given planning year, the Consultant Team produces its own version of what we believe is the achievable electric and gas potential for the following plan. This is the basis for the goal setting process for the EEAC. In the past this was done without potential studies; however, in the last planning cycle, we reviewed and used the PA multiple potential studies in our consideration of the appropriate achievement. In 2017, we did this work in January and February. Since the potential studies were completed in different timeframes from late January all the way into late March, depending on the PA, we were not able to incorporate all the results in a comprehensive way. The studies that are currently underway are supposed to be completed in December or early January to afford enough time to review. The Team, working with DOER, decided that some of our assessment work could be done sooner because much of what we would look at in more detail already exists in work Optimal Energy has done in five different states in 2019 and 2020 and recent studies were done in NH and RI by one of the contractors selected for at least one MA study. We estimate the additional work in 2020 is about \$31,600.

Avoided Cost Study

In recent three-year planning processes, the six-state avoided cost study would kick off in the year before the planning year, but most of the work would occur in January and February of the planning year. The data would often be a last-minute addition to the planning process without enough time to fully integrate and review the draft results. Review and iteration were not always possible. We worked hard in this cycle to get the study done earlier so that appropriate iteration of draft results could be conducted. This meant that 2 to 3 months of work were moved into this year. We estimate this to be \$27,550.

Planning Subgroups

In past planning cycles the team produced briefing documents for a series of workshops that spanned the fall and winter. In addition to typical workshops being completed this fall and winter, a series of topic subgroups were formed to work directly with the PAs and DOER. One example of the this is the equity working group. These

include some overlap with the briefing workshops but are an addition to the process from the last cycle. The addition of the subgroups results in a budget impact of around \$22,940.

Conclusion

We suggest that the EEAC move \$82,000—or ~5%—from our proposed budget in 2021 into our budget for this year. We ask for the money to be available as we manage workloads through the end of the year. The team budget is never simply transferred to Optimal Energy and must have the appropriate invoice and backup to be accessed. In the last 7 years, the Team has carefully managed its budget and left a balance at the end of the year. We will continue to manage the budget carefully and only use the amount needed to effectively complete the tasks assigned to the Team.

	Staff	Role		Strategic Planning Sub Groups	Assessment of Potential	AESC Study	Total Hours
Optimal Energy, Inc.	Eric Belliveau	Principal in Charge		20	15	5	40
	Gretchen Calcagni	Project Manager and Technical Services Lead		20	25	0	45
	Matt Socks	SME: AESC Study, Potential Studies, TRM		0	65	65	130
	Elizabeth Chant	SME: Low Income/Equity		10			10
	Adam Jacobs	C&I Lead		15	25	0	40
	Analyst	Analyst Support			25		25
Individuals	Jeff Schlegel	SME: Active Demand, Avoided Cost study, ISO issues, Policy		15	15	75	105
	Caroline Hazard	Residential and Low Income Core Member		10	0	0	10
CEI	Margaret Lynch	Residential and Low Income Lead		10			10
CX	Jennifer Chiodo	C&I Core Member and EM&V Core Member		10			10
EFG	Glenn Reed	Residential and Low Income Core Member		10	5		15
LABOR TOTALS			Hours	120	175	145	440
			Amount	\$22,940	\$31,600	\$27,550	
			Travel				
DIRECT COSTS TOTAL				\$0	\$0	\$0	
TOTALS				\$22,940	\$31,600	\$27,550	\$82,090